Losses suffered by IOC and BPCL

†2907. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Indian Oil Corporation, a public sector oil company had a turnover of Rs. 42,393 crore during April, 2005 to June, 2005;

(b) if so, whether it is also a fact that the Bharat Petroleum Corporation Limited had a turnover of Rs. 16,016 crore during the said period;

(c) if not, the details in this regard and whether it is a fact that Indian Oil Corporation has suffered less loss as compared to Bharat Petroleum Corporation Limited and if so, the details in this regard; and

(d) the reasons for the difference in losses suffered by the two corporations?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Yes, Sir.

(c) The net losses (after tax) of Indian Oil Corporation Limited (IOCL) and Bharat Petroleum Corporation Limited (BPCL) for the quarter April-June, 2005 were Rs. 54 crore and around Rs. 431 crore respectively, after taking into account the discount offered by upstream companies and GAIL.

(d) Both IOC and BPCL are integrated oil refining and marketing companies. While the BPCL refinery is having positive gross margins, marketing operations are adversely affected owing to under-recoveries in SKO(PDS) and LPG (Domestic) coupled with negative margins on the sale of MS & HSD, resulting in losses during the said period. On the other hand, IOCL enjoys having the advantage of higher refining capacity resulting in higher refinery margins and also getting higher income from cross country pipelines.

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†Original notice of the question was received in Hindi.